

Affordable Insurance Exchanges: Questions and Answers

Starting January 1, 2014, Americans will have access to Affordable Insurance Exchanges, State-based competitive marketplaces where individuals and small businesses will be able to purchase private health insurance and have the same affordable insurance choices as Members of Congress. Exchanges will begin operating in 2014 and will make it easy for consumers and small businesses to compare health plans, get answers to questions, and enroll in or offer to their employees a health insurance plan that meets their needs. Individuals will be able to find out if they are eligible for advance payments of premium tax credits and cost sharing reductions, or health programs like the Children's Health Insurance Program (CHIP); small businesses will only be eligible for the small business tax credit for coverage purchased for employees through the Exchange.

An Exchange can help individuals:

- Look for and compare health plans based on price, benefits, cost-sharing and quality.
- Get answers to questions about your health insurance coverage options.
- Find out if you're eligible for private insurance tax credits or cost-sharing reductions or public insurance programs that make coverage more affordable.
- Enroll in a health plan that meets your needs and budget.

What is an Affordable Insurance Exchange?

An Exchange is a State-based competitive health insurance marketplace where people and small businesses can shop for and buy affordable private health insurance. An Exchange is not a private insurance company or a government-run health plan.

By 2014, every State will have an Exchange tailored to its local insurance market. Employers and consumers can access an Exchange through the Internet or toll-free call centers.

Tax credits will be available for many individuals, families and businesses to help them purchase coverage in the Exchanges. Members of Congress will also get their coverage through the Exchanges.

What does the Exchange mean for me?

Affordable Insurance Exchanges will help you get and keep health coverage that is right for you.

- For individuals and families, the Exchange is a single place where you can apply for and enroll in private or public health insurance coverage.
- For small employers, the Exchange provides a level playing field where you have access to high quality health insurance plans at a lower cost like larger companies.
- For both consumers and small businesses, the Exchange is a place to make apples-to-apples comparisons when shopping for health plans.
- Through the Exchange, consumers can apply for tax credits or other help to further reduce your premium and out-of-pocket costs.
- For millions of uninsured and lower-income Americans, the Exchange is an easy way to enroll in a private health plan, Medicaid, or Children's Health Insurance Program (CHIP).

How can I afford the health insurance offered in the Exchange?

The Affordable Care Act makes it much easier for you to get affordable coverage. In 2014, you will be able to access the Exchange online or over the phone and determine whether you are eligible for tax credits and reduced cost sharing for health insurance, see your plan choices, compare cost and quality, and enroll in coverage. You will also be able to see if you or your family might be eligible for Medicaid or the Children's Health Insurance Program (CHIP). Exchanges will help make it easier for you to keep your coverage, even if changes to your income or employment make you ineligible for other programs such as employer sponsored insurance, private insurance tax credits, Medicaid or Children's Health Insurance Program (CHIP).

Small businesses can also join the Exchange, calculate their contribution toward their employees' coverage, and then offer employees their own choices among insurers and plan designs. Certain small businesses might qualify for a tax credit for part of the coverage purchased through the Exchange. Through the Exchange, small businesses and their employees will finally have the same type of choices that large employers have today, and they can select the best coverage for the price they can afford.

What are the advantages of using an Exchange?

Exchanges will make it easier to find insurance coverage that fits your needs by:

- Offering personalized help. The Exchange can help you consider your coverage choices and answer your questions, through a website, a call center and community groups or individuals specifically designated as “navigators” to help consumers. Insurance agents and brokers can also help consumers and small employers find coverage options in the Exchange.
- Ensuring quality. The Exchange will ensure that all health insurance plans in the Exchange meet basic standards, including quality standards, consumer protections, and access to a wide range of doctors and clinicians.
- Increasing transparency. Exchanges will post clear and detailed information about health plan prices, benefits, and quality so that you can make meaningful comparisons between plans.

What's the difference between an Exchange and the traditional insurance market?

Exchanges will improve today's broken insurance markets for consumers and small businesses. Exchanges achieve this by:

- More Choice. Consumers will have a choice of health plans to fit their needs.
- More Competition. Exchanges will make it easier for consumers to compare plans on the basis of price, quality and benefits. This gives insurance companies incentives to offer better products at lower prices than their competitors.
- More Clout. Exchanges will give 25 million individuals and small businesses the same purchasing clout as big businesses by bringing people and businesses together in a marketplace, lowering costs by spreading the cost of insurance across a larger group of people and allowing insurance companies to reduce prices.

Who will run these Exchanges?

The Affordable Care Act gives States resources and support to help them develop and run their own Exchanges. States have flexibility in designing their Exchanges to meet local needs, as long as the

health insurance plans offered meet minimum standards that ensure high quality and a choice of providers. The Federal government will partner with States that choose not to operate every function of an Exchange so that by 2014, Americans living in every State will have access to an Exchange.

What can I do if I need insurance now?

The HealthCare.gov [Insurance Finder](#) is an excellent tool to help you identify both the private and the public health coverage options available in your local community. The Finder automatically sorts through a catalog of options to help you identify the ones that may be right for you, like the [Pre-existing Condition Insurance Plan](#), a new option for Americans locked out of the insurance market due to a pre-existing medical condition.

Information on individual insurance plans has been available for a year, and now the Finder also includes information on small group plans to help small employers sort through and find coverage options for their employees.

Can my business offer employees insurance through an Exchange?

Starting in 2014, you can offer coverage to your employees through a “Small Business Health Options Program” called a SHOP. States can set the size of the small group market up to 50 employees instead of 100 employees until 2016. And, starting in 2017, States may let businesses with more than 100 employees buy large group coverage through the SHOP.

Small employers participating in SHOP may be eligible for a tax credit of up to 50% of their premium payments if they have 25 or fewer employees, pay employees an average annual wage of less than \$50,000, offer all full time employees coverage, and pay at least 50% of the premium. Employees offered affordable, quality health insurance by their employer, however, are not eligible for premium credits for coverage purchased through the Exchange.

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